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PUBLIC SERVICE DIV.  
OMB-FIRS

DOCKETS

CC 96-128

IN THE MATTER OF

FCC Implementation Of The  
Pay Telephone Reclassification And  
Compensation Provisions Of  
The Telecommunications Act of 1996

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12 06 PM '98

CC Docket Number 96-128

RE

12/2/97

COMMENTS OF:

David J. Kane  
Vice-President  
All Office Support, Inc.  
7181 College Parkway/ Suite 30  
Fort Myers FL 33907-5640

I, David J. Kane, do file these comments on 26 November 1997, regarding the FCC Implementation Of The Pay Telephone Reclassification And Compensation Provisions Of The Telecommunications Act of 1996 CC Docket Number 96-128

While we here at All Office Support still feel that a "caller pays" plan would seem to be best for all parties, we understand that there are many other points which must be taken into consideration.

Several Comments have been filed which seem to favor "Full Pay Phone Blocking". This particular method of refusing to accept what is in essence a "collect" charge for accepting a call... indeed... forcing us to accept charges on calls over which we have no control... is neither fair practice to the caller or to us, the party responsible for paying the bill to the long distance carriers.

My business here in Florida is to provide operator assisted message dispatch to alpha-numeric pagers across the United States. An alpha-numeric pager has the ability to display a "text" message as opposed to the "numeric" pager which displays only numbers. We employ 52 people and have a substantial investment in computerized equipment to handle these calls. Our clients are the F.C.C. licensed paging companies (RCC and PCS firms) -- Air Touch/ Page Net/ MobileMedia, to name just a few -- and those companies who re-sell these paging services to end users. There are approximately 11,350 such companies in the U S

At present we utilize approximately 2,000 Toll-Free 800/888 numbers which we provide to these paging companies for use by their clients. We process appx 250,000 calls per month. Our current monthly invoice from our long distance carrier is approximately \$13,000.00 We estimate that 40-percent of these calls emanate from pay telephones. This will amount to an INCREASE of \$28,000. PER MONTH in our phone bill alone with no increase in call volume OR revenue.

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I agree that "full blocking" is not a good alternative; however, in reading the dockets involved, it appears that other "Caller Pay Options" were never fully explored. This would be where the caller is informed that the call is toll-free from a business or residence phone, but a coin deposit is required to dial a toll-free number from a pay telephone. The caller would then have the option to complete the call or not. There is a great degree of "free-choice" with this option.

As a precursor to our suggestion (which follows) of a "Modified Caller Pays" option, it is very evident to anyone who has ordered and implemented "800" toll-free service that their number may be "restricted" in some form. For example, calls from the immediate calling area may be blocked and an intercept message heard by the caller. In other cases, calls may be blocked from the local calling area, but statewide access would be allowed. In this case, calls from out-of-state may also be blocked with an intercept message. Selected individual area codes from different parts of the country or Canadian access may be blocked from service with an intercept message while other calls are allowed to pass. "Restrictions" with intercept messages are quite common and this technology exists today.

Indeed, even within the local calling area, certain entire area codes may be blocked... right down to a particular individual telephone number from any area code being blocked with an intercept message. This blocking could be from any phone, business, residential OR pay phone.

Perhaps then the best of all possible worlds wherein the PSP's are satisfied right along with those who "foot the bill" would be the following:

In this scenario, **the party responsible for the billing on their toll free number** could specify which type of service they desire: 1) FULL ACCESS from any phone; or, 2) "PAID OPTION ACCESS" from a pay telephone. In the latter case, the caller would be informed that a coin deposit must be made at the request of the toll-free number holder in order to connect to and complete the call free of long distance toll charges.

Clearly, this should satisfy the PSP's in BOTH cases. In our proposed "Full Access" scene, the carrier bills their number holder this PSP charge and, because they agreed to this level of service, they remit payment. In the second scene, "Paid Option Access", the caller would choose either to deposit the coins and complete the call or walk away. If the caller walks away, the PSP has incurred no cost. If the caller chooses to make the deposit, the PSP has earned his "access" fee and simply collects the coins as usual.

Within these options, those firms desiring "Full Access" (such as trucking firms, service companies or any company that has a need for employees or customers to contact them at the least possible cost from a pay phone) would be able to budget and accept this pay phone surcharge.

On the other hand, those firms or organizations that are willing to accept the normal toll-free costs but not the pay phones surcharges would not be overwhelmed by the "per call" surcharges. This is true "freedom of choice"

The present ruling will also severely impact the "Prepaid Calling Card" consumer as well. Now additional costs will be passed along to these consumer who, I suspect, are the least able to afford them.

Our proposed toll-free two service level option could easily be applied to the "Pre-Paid Calling Card" companies and to the telephone "Credit Card" companies as well. In the case of the pre-paid, the caller simply deposits the coins, or the card company deducts the surcharge from the pre-paid minutes. Of course, the "Pre-Paid" card companies must inform their consumers in advance that this charge is being imposed.

The traditional telephone "credit card" firms would be able to do likewise. The users of either of these cards would be informed of their options and make their choices. Competition between those organizations would still exist AND the PSP's would still be compensated for pay phone usage.

Just as the posted announcements on pay phones make known the latest tariff of 35-cents, a similar announcement would inform callers that certain 800/888 calls MAY require a coin deposit.

Short of a full "Caller Pays" solution or, as suggested above, a "Dual Service" level, I do not believe that any suggestion of a "measured" rate based upon the time duration of the call would function. In normal pay phone service, for instance, the caller deposits the coins (now 35-cents) and would receive 3, 4 or 5-minutes of "talk-time" on a local call. Most of us who have occasion to use pay phones on a local level (not a "Calling Card" call) would perhaps spend 60 to 90-seconds on a call. Quite noticeably, the pay phone does not give change for a shorter conversation! Likewise, I do not see the PSP's agreeing to a short duration compensation. The local pay phone market is still very lucrative for the PSP's because of the brief nature of most of the calls placed from pay phones.

This "brief" call duration in the telemessaging business is paramount to our entire operations. Because of the nature of the calls, the "Modified Caller Pays" plan described above would not bring unnecessary hardship on the caller from a pay phone or to the paging/ messaging companies. The PSP's would be properly compensated for the usage of their equipment. The caller has the freedom of choice to deposit coins or not making the call from a pay telephone...the same freedom they have in deciding that they do not wish to pay 35-cents to make a "local" call!

Just as the Commission suggests in their ruling, the increased cost of a "local" call will aid the consumer because there will be more competition in the pay phone industry and more phones will then become available in more remote areas. Likewise, our suggested "Modified Caller Pays" plan would not only fulfill the Commissions ruling but also allow more competition in the paging industry by not having to pass inflated costs along to their consumers. I believe that this "Modified Caller Pays" option would be an acceptable compromise to an otherwise impossible situation for the paging industry.

Another possible solution would be for the paging carrier or reseller to offer their customers a choice of two toll-free numbers. One number would be fully blocked from pay phone usage and we would continue to accept the normal toll-free tariffed charges from business or residence phones, but no pay phone calls. If their customer accepted the "Non-Blocked" number, then the carrier would have the choice of a "flat-rate" extra charge for unlimited access or a "call-by-call" re-billing of the surcharge. As a simple business necessity, these charges would have to bear a "mark up" to cover research and billing costs and be charged to those subscribers after-the-fact. This is not a healthy option in the paging business. Carriers have a difficult enough time in collecting after-the-fact for simple "over-calls"!

One of the additional consumer issues under the present ruling is the concern of necessary "mark-ups" as a result of the "pass-along" charges. The PSP's receive 28 4-cents, the carriers of course would have to rightfully "mark-up" these costs to offset their administrative expenses and bill 30-cents or more! We, in turn, would have to apply a mark-up to cover our costs as well. These inflated costs would then be passed to the carriers/ resellers who ALSO would be forced to mark them up again! How does the consumer benefit from this? Other organizations and groups will other social service agencies which will be effected as well... crisis hotlines/ runaway hotlines/ rape crisis centers/ poison control/ state Social Service Agencies, etc., et al.

The "passing along" of these pay phone surcharges would force the paging industry to "paint all customers with the same brush". These charges would, of necessity, have to be borne by all subscribers even if their callers NEVER use a pay telephone. My opinion is that different levels of service be offered to those businesses that are the holders of the toll-free numbers who may then themselves choose the appropriate service level for their interests.

The first level would be "FULL SERVICE" in which the holder of such number(s) would accept all charges on these calls including the PSP surcharge. This would apply to large trucking companies, social service agencies and those others to whom receiving a call "at any cost" would be important.

The second level would be "PAY PHONE RESTRICTED" where an announcement to the caller using a pay phone would be "This toll-free number has been pay phone restricted at the request of the subscriber. Please deposit 35-cents to complete this call" With this option, the caller would make the choice as to whether or not they wish to complete the call from a pay phone or go elsewhere (a residence phone or a business phone) to make this call. The Pay Phone Service Provider would then be compensated at the point of purchase when their equipment is used.

I believe that any other method imposed to correctly reimburse the owners of pay telephone equipment will only cause consumer prices to rise as these costs must surely be passed along, most likely "marked-up" to cover the administrative costs involved.

Now comes an issue of fraudulent practices from members of the Pay Phone Service Providers. It has come to my attention within the past 24-hours that hundreds of "bogus" calls are being received on our banks of toll-free 800/888 numbers. When these calls are answered by our operators, (for example: "XYZ Paging Company") they hear a recording that says... "What's that? [pause] I must have dialed a wrong number." and the call immediately disconnects. They "Pay Phone Surcharge" on these fraudulent calls will, under the Commission ruling, be assessed to our long distance carrier who, in turn, will pass a "marked-up" charge to my company.

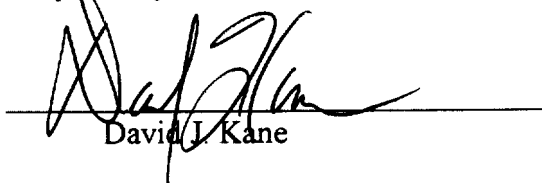
The Commission in its ruling makes no consideration for "credits" for mis-dialed numbers. Clearly, these calls we are receiving are not mis-dials... this is a case of out-and-out interstate TELEPHONE FRAUD being committed on my company. We will be forced to deal with this through the appropriate courts and jurisdictions.

The "call detail" on our typical phone bill from our long distance carrier runs over 2,000 pages! The tracking, isolation and eventual prosecution concerning these fraudulent calls will NOT be an easy task. There would be, of necessity, literally hundreds and hundreds of man-hours involved... an expense which my company could simply not afford.

The criminal actions of these unscrupulous individuals will cause severe financial damage to my company under this Commission ruling. Our actions will, of necessity, involve State and Federal Courts with not only charges of fraud but also complicity in these fraudulent actions. A copy of my memo to our operator staff is attached hereto as "Item [A]".

Thank you for your attention.

Respectfully Submitted By:



David J. Kane

# *All Office Support*

*"We've Got A Message For You!"*

## Inter-Office Memo

**A-1**

Date : 26-Nov-97  
To : All Staff  
From : Dave Kane  
Subject : "Bogus" Calls

As many of you have no doubt experienced, we have been receiving a large number of "strange" calls.

When you answer a line, you may hear a voice say: "What's that? [pause] I must have dialed a wrong number."

Please make note of the ACCOUNT NUMBER and TIME as indicated on your screen. Turn in your reports at the end of your shift to the Supervisor.

It is my suspicion that these calls are being received from a pay phone (or some sort of device connected to a pay phone circuit). Every time we receive one of these calls, we are charged 30-cents to compensate the Pay Phone Service Provider as specified in the F.C.C. ruling.

**The F.C.C. has MADE NO PROVISION to "credit" wrong numbers!**

PLEASE... keep accurate and honest records of these calls as they are received. The wording you hear MAY CHANGE... so be alert and advise the Supervisor of any different wording you may hear.

Thanks for your help on this. Your effort IS IMPORTANT!

**ALL OFFICE SUPPORT, INC**  
**OPERATOR RECORD OF BOGUS CALLS RECEIVED**

**A-2**

OPERATOR NAME: _____			
Time Shift Began: _____		Time Shift Ended: _____	
ACCT NO	TIME CALL RECEIVED	INITIALS	COMMENTS:
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
Operator Signature: _____			
Date: _____			